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WAR DEPARTMENT
U. S. BUREAU OF INSULAR AFFAIRS,
WASHINGTON.

March 31, 1917.

PHILIPPINE FOREIGN TRADE IN THE CALENDAR YEAR 1916

From Philippine customs returns received and compiled by the Bureau of Insular Affairs for the calendar year 1916 it appears that war conditions and high prices were ruling factors in a depressed import trade that reached the lowest figure since the inauguration of free trade with the United States in 1909, and in an increase in exports to the highest value by far in the history of the islands.

Under advancing freights, growing transportation difficulties, and soaring prices due to urgent stress of war demands in the world markets, import activity was restricted, and an actual decline of approximately four million dollars in value as compared with 1915, very inadequately expresses the actual shrinkage in the volume of imports for the year, in view of the general advance in prices. On the other hand, high prices in the export trade stimulated production, led to larger output in most of the important staples, and resulted in a total export value of approximately seventy million dollars, - an increase of sixteen million over 1915 and an unprecedented trade balance of about twenty-five million dollars over the import total for the year.

The reduced import trade is subject to a further discount, in view of a marked development in foreign exports during 1916. The Philippines as a distributing center for foreign goods heretofore figured at most to the extent of about half a million dollars, but in the past year this increased to more than a million and a half. While this larger total followed the general distribution of previous years and was chiefly with neighboring oriental countries, Russia was a new destination of considerable importance in this trade, as well as in domestic exports, coincident with the great war-trade development of the port of Vladivostok. In the wide range of articles comprised in foreign exports for the year American chemicals assumed considerable importance and serve to explain in a measure the larger chemical trade of 1916.

There was a very general decline in imports of foodstuffs, due in great part to an active "food-production campaign" by the insular Bureau of Agriculture begun in 1914. The rice crop fell short of earlier anticipations, and though the quantity imported was somewhat below the high figure of 1915, higher prices prevailed, and the reduction in value was not material. With the continuance of war prices in wheat, the flour trade was the smallest since 1909. Australian flour, which, in consequence of the drought, practically abandoned the market to American in 1915, reappeared to the amount of about a quarter of million dollars in the million and a half total.

Imports of meat and dairy products materially declined. The quantity of fresh beef was reduced nearly half, and though still chiefly from Australia, the new China-coast supply was a close second and taking the lead toward the end of the year. The cattle trade, which supplements imports of refrigerated beef, declined also, to less than half the unusually high figure reached in 1915. Australian cattle, which prior to the war dominated the market, virtually disappeared, and there were no imports from Australia after January, while freights favored the nearby Asiatic sources that supplied the reduced trade of the year.

Imports of animal foodstuffs were also much reduced, and though no doubt the freight situation operated to this end on such commodities as hay, bran, and oats, there is also to be considered the "food-production campaign" and the greatly stimulated production of corn. A further factor in the animal food supply is found in the growing output of coconut cake, the by-product of the new coconut oil industry, which has been the subject of local advertising propaganda during the year. The stock-food value of this article has been long appreciated by Europe, and there were exports of some importance to Germany prior to the war. Since then there has been practically no foreign market, except for minor shipments in the closing months of 1916, and a fortunate outcome alike to producer and consumer is to be seen in force of circumstances serving to introduce the use of this valuable domestic product.

Imports of cotton textiles declined from over eight and a half million dollars to six million,- the lowest figure in many years. But the decline is qualified in a measure by the trade of 1915 having been the largest ever recorded, and heavy stocking-up at the more favorable prices prevailing in that year represents a definite gain. The reduced total was chiefly at the expense of American textiles, which during the war have increasingly dominated the market and constituted over eighty per cent of the value of this trade in 1916. British fabrics, which prior to free trade with the United States controlled the market, continued the steady decline of previous years and constituted only about ten per cent of the total. Cotton yarns shared the experience of textiles, showing higher prices and reduced quantities, which reached an exceptionally low figure and were as heretofore chiefly from Japan.

Iron and steel attained a maximum of over eight and a half million dollars in 1913, and some measure of the arrested industrial development of the islands during the war may be gathered from the steady yearly decline until a value of less than four million was reached in 1916, though even this fails to give the full measure of the situation in view of the marked advance in the price of these materials. The legislature provided for the erection of a government-aided sugar central, but the increased cost of materials and transportation, and the difficulties in securing a satisfactory contract and guaranty of delivery led to postponement of the plan, and doubtless this experience of the government was also generally true in the reduced private activity as indicated in the iron and steel total for the year.

The automobile trade showed marked development. There was a fifty per cent increase in the number imported, and though the year was characterized by the usual condition of declining average price due to cheapening production and the increase in lower grade machines, the aggregate value was materially larger than that of 1915, and there was also a marked increase in parts and equipment. Manila as an oriental distributing point for the American auto trade is indicated in exports of some importance of American machines to nearby countries. The growing use of the auto in the islands is evidenced by a fifty per cent increase in the quantity of gasoline imported, which continued to be chiefly American supplemented to a minor extent by the product of the Dutch East Indies.

In the distribution of the reduced import trade by countries American goods chiefly suffered. Imports from the United States were three and a half million dollars below those of 1915, and constituted fifty per cent of all imports against fifty-three per cent in the previous year. In this decline American textiles previously referred to were the conspicuous factor. The

Australian total was adversely affected by losses in the beef and cattle trade as well as by the practically complete withdrawal during the year of the formerly important Australian coal trade in favor of the Japanese product. Japan continued to profit by the favorable conditions created by the war for the supply of the islands' needs, and conspicuously led among the few important countries showing increased totals. The doubling of import values credited to the Dutch East Indies was due chiefly to mineral oils and to unusually heavy purchases in the quinine trade that were later distributed as foreign exports.

In the sixteen million dollar increase in the export total of 1916 sugar and hemp were the chief contributors, the former due mainly to larger production and the latter to exceptional prices, but higher prices as well as increased quantities and notably larger values were a very general feature throughout the various classes of exports, with the notable exception of copra.

The effect of the typhoons of the latter part of 1915 was manifest in the quantity of copra exported in 1916, which was only little more than half that of the previous year and the smallest since 1907. Though prices showed a marked recovery from the depression of the earlier period of the war, the net result was a four million dollar drop in value as compared with 1915. A striking feature of the year's returns was the lead taken by the United States, with purchases of about half of the reduced total, while France, the leading consumer heretofore, figured only to a minor extent and for several months in the earlier part of the year disappeared entirely from the trade. The reduced exports of copra are explained to a slight extent by the increasing local production of coconut oil, the larger output for the year having been marketed at a higher price and to a value of approximately four million dollars. This distinctly American trade met with some competition from Russia in the latter part of the year.

Sugar production in 1916 broke all previous records in the history of the islands, - exports amounting to 332,158 long tons, exceeding by seventy-five thousand tons the previous high record of the islands established during the Spanish regime, and being a hundred and twenty-four thousand tons above the exports of 1915. The high average price of that year was slightly increased, and a larger value by seven million dollars to the credit of the sugar trade shows the highly favorable condition of that industry during 1916 under war prices and record-breaking production. Though there were larger shipments to both the American and oriental markets, freight rates and the heavy Cuban production continued unfavorable to the taking by the United States of the large proportion of the crop that was a feature of earlier years of free trade, and greatly increased British purchases, which amounted to about twenty per cent of the total, furnished the most conspicuous feature in the distribution of the year's total. Centrifugal and high-grade sugars, the product of recent mill installations, are beginning to assume considerable importance in the trade, and to this may be attributed a further reduction in imports of refined sugar.

The effect of typhoons in the hemp districts in the latter part of 1915, while not so serious as originally anticipated, was manifest in a slight reduction in the quantity of hemp exported in 1916, but advancing prices and an average for the year beyond all previous experience, resulted in an increase of over five million dollars in this trade, with an annual value much in excess of any heretofore recorded. The American and British markets continued to absorb the great bulk of the output, with no very marked change in distribution from that of the previous year. Maguey also profited by the favorable conditions in the fiber market of 1916, with even a more striking price increase than that of hemp, while the quantity exported was double that of any previous year. This minor fiber of the Philippines found increased favor in the American market, and exports to the United States took the lead in a trade heretofore distinctly British.

The reduced leaf tobacco shipments of 1915 showed a sixty per cent increase in quantity for 1916, and, with a total closely approximating forty million pounds, established a new high record in the export trade by several million pounds, while better prices contributed to the favorable returns for the year. Spanish purchases, which dominate the trade, were resumed in

unusual volume, and shipments to Netherlands assumed noteworthy proportions, in addition to which those to the United States were larger than ever before, though still of little importance in the total. In the cigar trade there was also marked activity, due to the greatly increased American demand,- the long-standing trade with other countries continuing to be generally adversely affected by the war. There was a steady increase in shipments to the United States throughout 1916, which grew exceptionally heavy in the closing months, with a new high record of a hundred and eleven million in this fluctuating trade as compared with sixty-one million in the previous year. These figures are a tribute to recent insular legislation and government efforts to popularize the Philippine cigar in the United States and overcome conditions that have unfavorably affected its introduction. The average price to the American market continued to decline and was the lowest since the establishment of free trade,- suggesting disproportionally increasing shipments of lower grades.

Minor manufacturing industries shared in the general export prosperity of the year. The development of the so-called household industries of the islands has been the subject of special efforts of the government. Under the educational system emphasis has been put on lace-making and embroidery, and fruits of these efforts are manifest in a noteworthy growth in exports of embroideries to the United States. Advantage continued to be taken of disturbed conditions in the normal European sources of supply, and the Philippine product was exported to the American market to the value of over a million dollars, and more than three times that of the previous year. The Philippine hat industry, which boasts hand-made products of distinctiveness akin to that of the Panama, more than doubled the value of its 1915 exports, and established a new high record with a trade exceeding six hundred thousand dollars. This was a distinctly American trade, and the same was true of a minor but increasing export of pearl buttons,- an increase offsetting the reduced export of the local raw material - the Sulu shell. Greater sawmill activity was indicated in a doubling of the value of lumber exported, which amounted to about half a million dollars. With the development of the industry Philippine lumber is increasingly supplying local needs, and exports far exceed the reduced imports for the year. The value of Philippine woods for cabinet purposes has been frequently emphasized and that they are finding American favor is shown by the bulk of the larger trade being still with the United States, though there were also shipments of some importance to China, a nearby and unlimited market for building materials where government efforts are being directed to introducing the vast and varied timber resources of the islands.

Of the huge export total for the year shipments to the United States constituted fifty-one per cent against forty-four per cent in 1915, with nearly half of the twelve million dollar increase embraced under sugar and hemp. Of the few countries that showed reduced trade France was the most notable, due to withdrawal from the copra market, and this product also entered into the fifty per cent drop in the Italian total. Sugar and hemp were also factors in larger values credited to the United Kingdom and Japan. A new direct hemp trade accounted for the unusual Canadian figures, while the Dutch total reflected an exceptional consignment of Philippine leaf to the great distributing center of the tobacco trade.

The world-wide transportation problem reached an acute stage in the Philippines during the earlier months of the year, when freight rates of leading export staples - already incredibly high - were almost doubled. In May the shipping tension was somewhat relaxed and during the latter part of the year the figures ruling about the close of 1915 generally prevailed. The monthly army transport service contributed throughout the year to the relief of the tonnage situation by the appropriation of its surplus space to commercial shipments from the islands to the Pacific coast. The Dutch flag assumed unusual importance in the carrying trade of 1916, due to Manila being made a port of call for the Java-Pacific Line, operating between Batavia and San Francisco, while the trans-Pacific service was further improved by the extension of the reconstituted Pacific Mail S. S. Line to Philippine waters in the closing months of the year,- thus reinstating the American flag in the islands' trade.

FOREIGN COMMERCE OF THE PHILIPPINE ISLANDS.
Compiled by the Bureau of Insular Affairs, War Department.

I M P O R T S.	Twelve months ending December-			
	1915		1916	
	Quantity	Value	Quantity	Value
Automobiles..... No.	620	\$582,255	986	\$726,092
United States..... "	608	560,846	986	726,092
Other countries..... "	12	21,409		
Cement..... Bbls.	299,859	408,530	199,498	293,100
United States..... "	24	77	72	221
French E. I..... "	31,928	54,581	17,302	29,388
Hongkong..... "	81,970	109,227	34,563	57,496
Other countries..... "	185,937	244,645	147,561	205,995
Coal..... Long tons	470,087	1,370,395	456,065	1,303,994
United States..... "	21,021	63,575		
Australasia..... "	56,217	141,647	1,560	3,799
Japan..... "	297,790	945,064	350,680	1,029,643
Other countries..... "	95,059	220,109	103,825	270,552
Cotton, and manufactures:				
Cloths..... Sq.yds.	116,613,514	8,641,130	71,331,288	6,026,578
United States..... "	102,349,263	7,448,170	59,916,080	4,997,921
United Kingdom..... "	8,074,418	691,909	6,535,516	616,415
Other countries..... "	6,189,833	501,051	4,879,692	412,242
Thread.....		403,976		519,388
United States.....		349,855		450,291
Other countries.....		54,121		69,097
Wearing apparel.....		1,293,218		1,356,455
United States.....		401,863		354,703
Germany.....		23,072		7,719
Japan.....		761,778		904,539
Spain.....		33,150		13,635
Other countries.....		73,355		75,859
Yarn..... Lbs.	3,032,676	581,195	2,308,977	572,025
United States..... "	1,457	1,905	10,909	10,450
United Kingdom..... "	659,771	155,832	400,031	129,631
Japan..... "	1,839,020	337,154	1,364,244	318,035
Other countries..... "	532,428	86,304	533,793	113,909
All other.....		871,896		850,441
United States.....		410,049		359,801
United Kingdom.....		158,224		159,395
Other countries.....		303,623		331,245
Iron and steel:				
Machinery.....		1,390,566		1,158,846
United States.....		1,056,584		987,857
United Kingdom.....		232,818		124,457
Other countries.....		101,164		46,532
Corrugated roofing..... Lbs	12,563,854	439,604	6,463,642	269,722
United States..... "	11,961,877	419,238	6,256,933	261,944
Other countries..... "	601,977	20,366	211,709	7,778
All other.....		2,599,902		2,334,672
United States.....		2,234,140		1,793,487
United Kingdom.....		171,383		152,331
Other countries.....		194,379		388,854

FOREIGN COMMERCE OF THE PHILIPPINE ISLANDS - Continued.

I M P O R T S.	Twelve months ending December -			
	1915		1916	
	Quantity	Value	Quantity	Value
Illuminating oil.....Galls.	13,072,882	\$1,129,015	10,857,434	\$1,012,846
United States....."	10,667,639	905,970	7,994,387	735,976
Other countries....."	2,405,243	223,045	2,863,047	276,870
Leather, and manufactures:				
Boots and shoes.....Pairs	681,182	934,949	524,796	672,709
United States....."	542,644	905,720	403,123	645,851
Other countries....."	138 538	29,229	121,673	26,858
All other.....		339,854		386,960
United States.....		281,962		325,541
Other countries.....		57,892		61,419
Meat and dairy products:				
Beef, fresh.....Lbs.	9,921,189	920,730	5,426,810	526,270
United States....."	3,133	329	67,674	6,340
Australasia....."	9,378,209	890,678	2,956,528	342,470
Other countries....."	539,847	29,723	2,402,608	177,460
Condensed milk.....Lbs.	10,550,973	730,471	9,890,407	699,958
United States....."	3,090,814	176,275	4,601,633	299,662
United Kingdom....."	5,954,743	462,597	2,221,816	171,519
Other countries....."	1,505,416	91,599	3,066,958	228,777
All other.....		1,169,877		902,470
United States.....		391,745		350,167
Australasia.....		178,479		122,984
Other countries.....		599,653		429,319
Paper, and manufactures		761,211		894,943
United States.....		493,743		563,237
France.....		92,328		96,983
Germany.....		6,056		2,269
Other countries.....		169,084		232,454
Rice.....Long tons	214,990	6,724,276	186,836	6,521,821
United States....."				10
French E. I....."	204,559	6,337,431	179,656	6,201,892
Other countries....."	10,431	386,845	7,180	319,919
Wheat flour.....Bbls.	378,909	1,946,304	312,529	1,501,442
United States....."	377,975	1,941,141	260,808	1,216,348
Australasia....."	816	4,448	48,197	268,617
Other countries....."	118	715	3,524	16,477
Wood, and manufactures		336,213		308,498
United States.....		228,311		217,266
Other countries.....		107,902		91,232
All other articles		15,736,617		16,657,108
United States.....		8,109,571		8,559,508
Other countries.....		7,627,046		8,097,600
Total imports.....		\$49,312,184		\$45,496,338

FOREIGN COMMERCE OF THE PHILIPPINE ISLANDS - Continued.

E X P O R T S.	Twelve months ending December -			
	1915		1916	
	Quantity	Value	Quantity	Value
Copra.....Long tons	136,895	\$11,111,555	71,135	\$7,115,971
United States....."	20,882	1,760,046	34,910	3,539,564
France....."	62,074	4,901,808	18,000	1,797,051
Spain....."	20,041	1,653,904	7,446	762,293
Other countries....."	33,898	2,795,797	10,779	1,017,063
Coconut oil.....Lbs.	29,683,107	2,820,502	35,474,591	3,925,735
United States....."	29,470,943	2,804,632	33,746,758	3,694,374
Other countries....."	212,164	15,870	1,727,833	231,361
Hemp (Manila).....Long tons	139,767	21,339,100	135,147	26,691,969
United States....."	63,157	11,351,283	65,296	13,639,509
United Kingdom....."	55,719	6,736,616	50,490	8,517,147
Japan....."	6,599	2,023,995	7,645	2,224,500
Other countries....."	9,292	1,222,206	11,716	2,310,813
Hemp, knotted.....Lbs.	572,112	305,747	847,318	532,659
United States....."			56,374	33,458
France....."	287,407	149,740	405,320	241,501
Italy....."	90,951	55,539	90,538	41,322
Switzerland....."	187,047	97,669	235,489	182,907
Other countries....."	7,707	2,799	59,597	33,471
Maguey.....Long tons	6,904	535,204	15,393	1,739,989
United States....."	1,381	117,943	9,076	1,063,976
United Kingdom....."	3,687	286,202	4,051	431,312
Other countries....."	1,836	131,059	2,266	244,701
Sugar.....Long tons	207,679	11,310,215	332,158	18,587,593
United States....."	81,532	5,141,580	129,801	8,633,701
China....."	26,693	1,313,070	35,364	1,630,444
Hongkong....."	51,017	2,493,347	54,060	2,605,503
Japan....."	28,509	1,450,804	34,662	1,878,455
Other countries....."	19,928	911,414	78,271	3,839,490
Cigars.....Thous.	134,648	2,957,303	193,026	2,844,376
United States....."	61,170	1,151,222	111,478	2,033,121
Australasia....."	5,323	79,554	4,320	64,292
British E. I....."	15,549	182,472	10,390	95,159
China....."	17,386	191,078	16,239	185,543
Other countries....."	35,220	452,977	50,499	466,261
Leaf tobacco.....Lbs.	24,136,034	1,527,106	39,163,034	2,827,657
United States....."	87,384	10,096	1,028,267	118,653
France....."	6,457,523	347,061	6,462,694	539,053
Spain....."	12,075,103	731,372	22,412,627	1,396,881
Other countries....."	5,516,024	388,577	9,264,516	773,070
All other articles.....		2,806,272		5,571,234
United States.....		1,316,409		2,891,777
Other countries.....		1,489,863		2,779,457
Total exports.....		\$52,812,004		\$69,937,183

FOREIGN COMMERCE OF THE PHILIPPINE ISLANDS - Continued.

C O U N T R I E S.	Imports		Exports	
	Twelve months ending December -			
	1915	1916	1915	1916
United States.....	\$26,381,069	\$22,862,673	\$23,653,211	\$35,648,133
Hawaii	158,046	189,530	122,772	134,603
United Kingdom.....	3,261,016	2,566,259	9,227,103	12,434,261
Australasia.....	1,409,613	888,260	559,171	669,638
Austria-Hungary	19,198	3,680		
Belgium.....	6,266	14,760		
China.....	2,422,637	2,770,884	1,623,284	2,248,028
East Indies, British.....	755,992	1,040,509	1,076,623	1,345,869
French.....	6,883,071	6,405,521	33,161	104,366
France	750,832	633,596	5,553,813	2,890,237
Germany	226,812	75,131	68	42
Hongkong.....	202,294	110,279	3,471,409	4,103,147
Italy.....	150,924	103,656	1,435,197	616,629
Japan.....	3,717,268	4,719,687	3,780,246	4,848,807
Netherlands.....	147,669	140,534	287,081	640,298
Spain.....	919,103	854,946	2,592,118	2,478,881
Switzerland	792,860	478,916	97,688	182,907
Other countries.....	1,107,454	1,637,517	300,059	1,591,337
Total.....	49,312,184	45,496,338	53,813,004	69,937,183
TOTALS.				
January.....	\$4,681,581	\$3,963,195	\$5,301,392	\$5,951,472
February.....	3,980,330	2,402,449	4,278,972	4,514,785
March.....	4,442,247	3,603,255	4,598,173	6,196,618
April.....	2,945,045	3,378,678	4,768,355	4,548,085
May.....	3,404,579	3,613,811	4,027,338	7,437,497
June.....	4,410,048	3,563,883	6,341,370	8,318,170
July.....	4,901,698	4,855,307	6,746,988	7,106,450
August.....	4,304,747	3,813,910	3,104,073	4,879,790
September.....	5,389,952	3,556,380	3,101,244	6,053,482
October.....	4,662,239	4,730,411	4,109,078	4,992,838
November.....	3,059,920	4,472,981	4,152,554	5,150,191
December.....	3,129,798	3,542,078	3,283,467	4,787,805
Total.....	49,312,184	45,496,338	53,813,004	69,937,183
UNITED STATES.				
January.....	\$2,552,721	\$2,077,875	\$1,480,929	\$2,360,640
February.....	2,231,505	1,125,859	1,286,690	1,250,277
March.....	2,489,443	1,762,597	1,716,430	3,784,283
April.....	1,224,394	1,761,132	2,526,739	1,439,886
May.....	1,558,263	1,714,489	1,696,811	3,463,822
June	2,563,283	1,600,955	3,080,371	4,674,377
July.....	2,562,984	3,013,234	3,620,292	3,929,509
August.....	2,215,802	1,729,049	1,719,506	3,179,366
September.....	3,348,999	1,670,998	1,587,600	3,980,355
October.....	2,591,519	2,439,116	1,533,635	2,830,770
November.....	1,667,229	2,436,337	1,522,827	2,942,151
December.....	1,374,927	1,531,032	1,881,381	1,812,697
Total.....	26,381,069	22,862,673	23,653,211	35,648,133

NOTE - U. S. Insular possessions are not included under the title "United States."

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